

complaint

Mr H complains that Capital One (Europe) plc hasn't recorded his account accurately with the credit reference agencies.

background

In line with a court consent order dated July 2013, Mr H has been paying £5 a month to repay his debt. But his payments were made via Capital One's solicitor who kept the majority of the payment to cover its fees, leaving less than £1 being credited to the outstanding debt. This meant Capital One did not report any payments to the credit reference agencies. Mr H also received correspondence from a debt collection agency due to a mistake by Capital One.

Since the complaint was referred to us, Capital One agreed the following:

- To deal directly with Mr H regarding his account and not pass it onto any debt collection agencies.
- To write off the legal costs charged in relation to the court proceedings.
- To amend the balance outstanding to take account of Mr H's £5 monthly payments.

Our adjudicator recommended that, in addition, Capital One should amend Mr H's credit file to show he had been making monthly £5 payments since July 2013. She also thought Capital One should pay Mr H £150 for the distress and inconvenience caused.

Capital One agreed to the £150 payment. But it said it could only amend payments on Mr H's credit record for the last 12 months. It agreed to do this and for the 12th month, include a large payment totalling all previous payments.

Mr H didn't agree. He said this wasn't an accurate reflection of the payments he'd made.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The bank has agreed to write off the legal fees which shouldn't have been charged, to amend the balance outstanding, and to deal with Mr H's account in-house. I agree this is fair.

Mr H remains concerned that his credit file doesn't show that he's been trying to reduce his debt by making the agreed £5 monthly payments since July 2013. His credit file should be an accurate reflection of the conduct of his account and Capital One is responsible for this. One of the credit reference agencies has confirmed to us that it can amend records for three years, or more. So I see no reason why Capital One can't amend Mr H's record to show his payments since July 2013.

Capital One provided poor customer service when Mr H complained and its mistake in passing the debt to a collection agency added to the upset and inconvenience it's caused Mr H. I agree with the adjudicator that £150 compensation is fair and reasonable.

my final decision

My final decision is that I uphold this complaint. In full and final settlement, Capital One (Europe) plc should:

1. Deal directly with Mr H regarding his account and not pass it onto any debt collection agencies.
2. Write off the legal costs charged in relation to the court proceedings.
3. Amend the balance outstanding to take account of Mr H's £5 monthly payments.
4. Amend Mr H's credit records to accurately show his payments from July 2013 to date.
5. Pay Mr H £150 for the trouble and upset caused. For the avoidance of doubt, this should be paid directly to Mr H and not used to reduce his outstanding debt.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 August 2016.

Elizabeth Dawes
ombudsman